
SUBSTITUTE SENATE BILL 5842

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Oemig, McAuliffe, Zarelli, Tom, Weinstein, Kauffman, Rockefeller, Hobbs and Kohl-Welles)

READ FIRST TIME 02/22/07.

1 AN ACT Relating to education system benchmarks and monitoring;
2 adding a new section to chapter 28A.300 RCW; adding new sections to
3 chapter 43.41 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.300
6 RCW to read as follows:

7 FINANCIAL HEALTH AND MONITORING--BUDGET REVIEW AND APPROVAL
8 PROCESS. (1) The legislature finds that the existing school district
9 budget review system focuses on current school year budget
10 implementation and preparation of the ensuing school year budget and
11 does not provide a systematic look of longer-range budget issues,
12 including any indication of impending financial problems in school
13 districts and the financial impact of long-term contractual agreements.
14 Parents, students, taxpayers, school employees, and school
15 administrators need a financial monitoring system that considers long-
16 term budgeting issues and commitments, and provides early warning of
17 school district financial health concerns. Once financial concerns and
18 issues are identified, districts should receive early, practical
19 assistance.

1 (2) The office of the superintendent of public instruction and the
2 office of financial management shall jointly develop and implement a
3 school district financial health and monitoring system.

4 (3)(a) The office of the superintendent of public instruction and
5 the office of financial management, with the involvement of school
6 district boards of directors and administrators, shall identify up to
7 six system measures that shall be established for a public financial
8 reporting system, including related data collection content and
9 processes. In developing the six system measures, the office of the
10 superintendent of public instruction and the office of financial
11 management shall consider the following: (i) How much the financial
12 health of a school district is dependent on local levy funds to cover
13 the cost of basic education; and (ii) How a school district's financial
14 health is related to insufficient funding of state requirements.

15 (b) In addition, the office of the superintendent of public
16 instruction and the office of financial management shall jointly
17 develop a financial health outlook rating system that places school
18 districts in one of three financial health categories based on their
19 ratings on the financial measures.

20 (4) The office of the superintendent of public instruction and the
21 office of financial management shall present proposed system measures
22 and a financial health outlook rating system to the governor by
23 November 1, 2007. Subject to agreement between the governor and the
24 superintendent of public instruction on the measures and the rating
25 system, the financial health and monitoring system shall be implemented
26 during the 2008-09 school year.

27 (5) The financial health outlook rating category of each school
28 district shall be published annually. In addition, updates shall be
29 published throughout the year if subsequent data to the school
30 district's financial reporting measures cause a change in the
31 district's financial health categorization.

32 (6) The office of the superintendent of public instruction, with
33 regional financial specialists contracted through educational service
34 districts, shall provide progressive levels of technical assistance to
35 school districts in the lowest two categories on the financial health
36 outlook rating system.

37 (7) The office of the superintendent of public instruction and the
38 office of financial management shall jointly review the current school

1 district budget submittal and approval process and develop
2 recommendations for changes to the budget approval and financial
3 oversight system. With approval from the legislature through the
4 omnibus appropriations act or by statute or concurrent resolution, the
5 recommendations shall include a system of progressive state assistance
6 and potential interventions and oversight in school districts
7 identified in the lowest two categories on the financial health outlook
8 rating system.

9 (8) The superintendent of public instruction shall submit a report
10 summarizing the review and reporting recommendations in subsection (7)
11 of this section to the governor and the education and fiscal committees
12 of the legislature by November 15, 2007.

13 (9) When the data center has collected and verified the data, the
14 office of financial management and the superintendent of public
15 instruction shall jointly conduct a review of teacher pay systems in
16 the global challenge states. The office of financial management and
17 the superintendent of public instruction shall develop a methodology
18 for comparing teacher salaries among the global challenge states. If
19 practical, the office of financial management shall report to the
20 governor and the legislature on the findings from this review and the
21 initial set of teacher salary comparisons among the global challenge
22 states by January 10, 2008.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41 RCW
24 to read as follows:

25 EDUCATION DATA CENTER. (1) The education data center shall be
26 established in the office of financial management. The education data
27 center shall conduct collaborative analyses of education issues across
28 the P-20 system, which system includes the department of early
29 learning, the superintendent of public instruction, the professional
30 educator standards board, the state board of education, the state board
31 for community and technical colleges, the workforce training and
32 education coordinating board, the higher education coordinating board,
33 public baccalaureate institutions of higher education, and the
34 employment security department in their collaborative analysis of early
35 learning, K-12, and higher education programs. The education data
36 center shall be considered an education research agency under

1 applicable federal and state statutes for purposes of receiving and
2 processing student record data for research purposes.

3 (2) The education data center shall:

4 (a) Coordinate with other state education agencies to compile
5 education data and complete P-20 research projects;

6 (b) Track enrollment and outcomes through the public centralized
7 higher education enrollment system;

8 (c) Assist other state educational agencies' collaborative efforts
9 to establish benchmarks for Washington compared to the global challenge
10 states as defined in section 3 of this act;

11 (d) Assist other state educational agencies' collaborative efforts
12 to develop a long-range enrollment plan for higher education including
13 estimates to meet demographic and workforce needs; and

14 (e) Provide research support that focuses on student transitions
15 within and among the early learning, K-12, and higher education sectors
16 in the P-20 system.

17 (3) The department of early learning, superintendent of public
18 instruction, professional educator standards board, state board of
19 education, state board for community and technical colleges, workforce
20 training and education coordinating board, higher education
21 coordinating board, public baccalaureate institutions, and employment
22 security department shall work with the education data center to
23 develop data sharing and research agreements, consistent with
24 applicable security and confidentiality requirements, to facilitate the
25 work of the center. The education data center shall make data from
26 collaborative analyses available to the education agencies and
27 institutions that contribute data to the education data center to the
28 extent allowed by federal and state security and confidentiality
29 requirements applicable to the data of each contributing agency or
30 institution.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.41 RCW
32 to read as follows:

33 GLOBAL CHALLENGE STATES. The global challenge states are the top
34 performing states on the new economy index published by the progressive
35 policy institute as of the effective date of this section. The new
36 economy index ranks states on indicators of their potential to compete
37 in the new economy. At least once every five years, the office of

1 financial management shall determine if changes to the list of global
2 challenge states are appropriate. The office of financial management
3 shall report its findings to the governor and the legislature.

4 NEW SECTION. **Sec. 4.** Captions used in this act are not any part
5 of the law.

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